MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2017/2018

BIB3084 – ISSUES IN INTERNATIONAL BUSINESS

(All sections / Groups)

27TH OCTOBER 2017
3.00 p.m – 5.00 p.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This Question paper consists of 2 pages with 4 Questions only.
2. Attempt **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.

QUESTION 1

"French President Emmanuel Macron says the possibility of the UK remaining in the European Union is an option until Brexit negotiations have concluded. He was speaking at a joint news conference with UK PM Theresa May. But he said he acknowledged and respected that a decision to leave had been taken by the British people. He echoed the words of German Finance Minister Wolfgang Schaeuble, who also said the UK could change its mind about Brexit."

(Adapted from http://www.bbc.com/news/world-europe-40267063)

a. Explain what would be the possible reasons for British to re-join European Union. (10 marks)

b. Explain what would be the possible reasons for British NOT to re-join European Union. (10 marks)

c. List down 5 countries of EU members (5 marks)

(Total: 25 marks)

QUESTION 2

Australians take coffee really seriously. Which could be why Starbucks has struggled to crack the Australian market. In year 2015, Starbucks have reportedly accumulated losses of at least $143 million. "It's going to be tough for them.".

Paul Patterson is a marketing guru that's spent years studying the demise of Starbucks. He says it's going to be very difficult for Starbucks to rebuild from here. And if you ask any caffeine loving Australian they will tell you that we make some of the best coffee in the world. There is at least 6500 independent cafes across Australia generating about $4 billion annually mainly from coffee sales. On average Australians drink around 3- 4 cups a day. "says Mr. Patterson. "The specialty coffee industry in Australia has raised the bar so high... that Starbucks coming in sets a low level... where perhaps the baristas are not so professional and are not as dedicated to their craft."

Key definition: (Barista) means a person whose job involves preparing and serving different types of coffee.

(Adapted *from http://www.sbs.com.au/news/thefeed/story/why-starbucks-just-cant-crack-australian-market*)

Assuming the role of Paul Patterson, advice Starbuck on how to rebuild a new business strategy in Australia and how to react towards culture awareness in future.

(Total: 25 marks)

Continued

QUESTION 3

The issue of foreign direct investment (FDI) remains a topic for debate among policy makers. A number of countries believe that FDI is not beneficial whereas some consider that FDI is very important. Analyse in details the impacts of foreign direct investment on Malaysia.

(Total: 25 marks)

QUESTION 4

a. Free Trade cannot be said to be beneficial to all section of a trading nation. As such, it is necessary for it to be accompanied by an income redistribution policy. However, there are several impacts of free trade towards the nation. Critically analyse the pros and cons of free trade.

(15 marks)

b. "After a long and bitter campaign for the US presidency, Donald Trump has triumphed over Hillary Clinton and the world's financial markets have been rocked. For Trump's supporters he represents a chance to shake up a system that many Americans feel has increased inequality and squeezed living standards. For less complacent investors, there are worries Trump's anti-globalisation mantra will spread protectionism around the world, put up trade barriers and curb global economic growth."

(adapted *from https://www.theguardian.com/us-news/2016/nov/09/trumps-economic-policies-protectionism-low-taxes-and-coal-mines*)

Briefly explain the reasons of trade protectionism towards US market.

(10 marks)

(Total: 25 marks)

End of Paper